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ABSTRACT

Maryland community colleges receive financial support from both the state and their local jurisdiction, as well as from student charges and other income from operations and investments. The proportion of local aid varies considerably across jurisdictions. A study was conducted at Prince George's Community College (PGCC) to measure local support for the college, as well as to examine the different methods of assessing county contributions to community colleges. The study compared the financial support provided by five counties in Maryland (Prince George's, Anne Arundel, Baltimore, Howard, and Montgomery) to their community colleges. Data were obtained from the Maryland Department of Fiscal Services and from the State Board for Community Colleges. Study findings included the following: (1) examining the share of county general fund expenditures, and the share of total county expenditures from all revenue sources, Prince George's county ranked lowest among all five counties in dollar support per full-time equivalent (FTE) student for each year from 1985 to 1989; (2) for fiscal year (FY) 1989, PGCC received $842 per FTE, while Montgomery County colleges received $2,518 per FTE; (3) when the real property assessable tax base was used to adjust for differences in county wealth and ability to support local colleges, Prince George's County continued to provide a lower level of support than its peers; and (4) an examination of tuition and fees, and college expenditures-per-student revealed that PGCC was the most cost efficient of the counties, but charged the highest tuition in order to cover its costs. Detailed data tables are included. (GFW)

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COUNTY SUPPORT FOR COMMUNITY COLLEGES

A Peer Expenditure Analysis

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PRINCE GEORGE'S
COMMUNITY COLLEGE

Planning Brief PB91-9

prepared by the
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PRINCE GEORGE'S COMMUNITY COLLEGE
Office of Institutional Research and Analysis

COUNTY SUPPORT FOR COMMUNITY COLLEGES:
A PEER EXPENDITURE ANALYSIS
February 1991

Introduction

Maryland community colleges receive financial support from both the state and their local jurisdiction, as well as revenue from student charges and other income from operations and investments. Statewide, in fiscal year 1989 the 17 community colleges received 40 percent of their revenue from local aid, 29 percent from the state, 29 percent from students, and the balance from other sources. (State paid benefits excluded; including the state contribution to fringe benefit costs alters these percentages to 36% local, 35% state, 26% students.) The proportion of local aid varies considerably across jurisdictions. In FY89, the local aid share ranged from a low of 27 percent at Prince George's to a high of 53 percent at Dundalk Community College. This planning brief examines several ways of assessing the relative county contribution to local community colleges.

Dollar Amount Contributed to College Operating Budgets

For the purposes of this analysis, Prince George's is compared to Anne Arundel, Baltimore, Howard, and Montgomery counties. Among this group, county contributions to community colleges in fiscal year 1989 ranged from $4.9 million to over $29 million. Looked at in terms of local aid per FTE student at each college, the support ranged from a low of $842 per student at Prince George's to a high of $2,518 at Montgomery College:

County Contributions to College Operating Budgets,
Total Aid and Aid per FTE Student, FY89

	Local Aid (millions)	Local Aid per FTE Student
Anne Arundel	$ 9.3	$1,234
Baltimore	29.1	1,486
Howard	4.9	1,758
Montgomery	29.3	2,518
Prince George's	8.2	842

By this measure, Prince George's County appears to provide a relatively low amount of aid to support the education of its residents at the local community college.

Share of County General Fund Expenditures

One way of assessing the relative contribution of local jurisdictions to their community colleges is to calculate the percentage of the counties' general fund expenditures contributed to the community college boards of trustees. The Maryland Department of Fiscal Services (DFS) presented this analysis in the most recent edition of Local Government Finances in Maryland. Similar calculations for prior fiscal years are included in the appendix of this planning brief. For example, in fiscal year 1989 Prince George's County allocated over $8.1 million to PGCC out of total general fund expenditures of $708.5 million, or 1.2 percent of its budget. Similar data for Prince George's and its community college peers in Maryland for FY85 through FY89 are shown in the following table:

Percentage of County General Fund Expenditures
Contributed to Local Community Colleges

	FY85	FY86	FY87	FY88	FY89
Anne Arundel	2.3	2.6	2.5	2.5	2.4
Baltimore	3.2	3.2	3.4	3.5	3.7
Howard	2.0	2.0	1.9	2.1	2.3
Montgomery	2.0	2.3	2.6	2.7	2.8
Prince George's	1.3	1.2	1.2	1.2	1.2

By this method, it appears that most of PGCC's peer colleges have received twice the share of their counties' operating funds as PGCC has from Prince George's County.

Share of Total County Expenditures from All Revenue Sources

An alternative way of examining county contributions to local community colleges utilizing expenditure data is based on total expenditures from all revenue sources. The Department of Fiscal Services includes this analysis for major expenditure functions in its Local Government Finances reports. Calculations of the share of total county expenditures expended for community colleges for fiscal years 1980 through 1989 are appended. For example, in FY89 Prince George's County expended a total of $1,309,529,746. Of this amount, $33,699,825 was expended at PGCC according to the DFS report. By this method, the community college received 2.6 percent of total Prince George's County expenditures for FY89. The table below shows similar calculations for Prince George's and its peers since FY85:

Percentage of Total County Expenditures
Expended for Local Community Colleges

	FY85	FY86	FY87	FY88	FY89
Anne Arundel	3.6	4.2	4.3	4.1	4.0
Baltimore	6.5	6.5	7.4	7.5	7.3
Howard	3.8	3.9	3.8	3.8	5.4
Montgomery	4.1	4.3	4.5	4.6	4.5
Prince George's	3.1	3.0	3.0	2.7	2.6

Based on this method, PGCC has received a smaller proportion of total county expenditures than its peers in Maryland.

Summary

Several ways of assessing the relative contribution of Prince George's County to its community college, compared to the college contributions of nearby counties in the state, arrive at the same conclusion: Compared to its peers, Prince George's Community College receives substantially less aid from its county. This largely accounts for both PGCC's high cost efficiency--it spends the least per student among this group--and its relatively higher tuition.

ASSESSING RELATIVE COUNTY CONTRIBUTIONS IN FY90

Introduction

The previous section analyzed spending data available from the Maryland Department of Fiscal Services and found that relative to its in-state peers, PGCC received a low level of county support. The Fiscal Services data was through fiscal year 1989. This section looks at related information available from the State Board for Community Colleges for fiscal year 1990, providing an updated look at county support.

Local Aid per FTE Student

As before, Prince George's is compared to Anne Arundel, Baltimore, Howard, and Montgomery counties. County aid to community colleges in these jurisdictions ranged from a total of over $30 million to the three campuses in Baltimore County to a low of $5.7 million to Howard. In terms of local aid per FTE student at each college, the range was from a high of $2,321 at Montgomery to a low of $947 at Prince George's:

County Contributions to College Operating Budgets, FY90
Total Aid and Aid per FTE Student

	Local Aid	FTEs	Local Aid per FTE Student
Anne Arundel	$ 9,674,590	8,555	$1,131
Catonsville	13,274,015	9,725	1,365
Dundalk	5,887,574	3,159	1,864
Essex	10,976,746	7,748	1,417
Howard	5,725,450	3,162	1,811
Montgomery	28,792,144	12,404	2,321
Prince George's	9,036,789	9,538	947

By this yardstick, Prince George's County clearly provides less support for students at its community college than other counties in the region provide their local campuses.

Aid Relative to County Ability to Pay

Given the substantial variability in county support to community colleges in Maryland, the question arises as to whether this is related to differences in county wealth or ability to pay. One way of assessing this is to calculate the ratio of county contribution to the real property assessable tax base:

Ratio of County Contribution to Community Colleges
to County Real Property Assessable Base, FY90

County	FY90 Real Property Assessable Base (millions)	FY90 County Contribution (millions)	Tax Effort Ratio
Anne Arundel	6,811	9.7	.0014
Baltimore	10,452	30.1	.0029
Howard	3,516	5.7	.0016
Montgomery	18,720	28.8	.0015
Prince George's	9,891	9.0	.0009

Taking this measure of county ability to pay into account does not change the finding that Prince George's provides a lower level of support than its Maryland peers.

Aid Relative to Tuition and Net Operating Costs

Given planned expenditures, the levels of state and local aid largely influence what student charges will be. Tuition and fees

are determined by the local boards of trustees in order to meet budgeted expenditures, given assumed amounts of state and local aid. The focus of this planning brief is on local aid. The table below displays, in per student terms, local aid, student charges, and net operating costs for FY90:

Local Aid, Tuition and Required Fees, and Net Cost per FTE Student in Fiscal Year 1990

	Local Aid per FTE		Student Charges per FTE		Net Cost per FTE
	Amount	Pct.	Amount	Pct.	(100%)
Anne Arundel	$1,131	38%	$1,152	39%	$2,987
Catonsville	1,365	40%	1,080	32%	3,385
Dundalk	1,864	50%	1,080	29%	3,745
Essex	1,417	44%	1,080	33%	3,230
Howard	1,811	44%	1,452	36%	4,080
Montgomery	2,321	49%	1,386	29%	4,763
Prince George's	947	29%	1,500	45%	3,315

Excluding PGCC, the local aid share averaged about 44 percent of per-student costs in fiscal year 1990. (Net cost per FTE is current unrestricted operating expenditures divided by total full-time equivalent students taught in the fiscal year. The local and student percentages vary somewhat from published revenue shares calculated on campus budgets rather than expenditures.) Had Prince George's County provided 44 percent of PGCC's FY90 cost of $3,315 per student (a local aid contribution of $1,459 per student), student charges could have been $988 per student. This equates to less than $33 per credit hour. A local aid share equal to that at Anne Arundel, $1,131 per student, would have allowed student charges to be $1,316 per student or less than $44 per credit hour. Actual student charges in FY90 at PGCC were $50 per credit hour.

Summary

This review of data available in the most recent edition of the State Board for Community Colleges Databook reinforces the conclusion of the first section: Compared to its peers in the state, PGCC receives substantially less aid from its county, with the result that a larger share of operating costs are paid for by student tuition and fees.

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GENERAL FUND CONTRIBUTIONS TO LOCAL COMMUNITY COLLEGES, FY82-89

	Total County General Fund Expenditures	County Contribution to Community College Operating Budget	Share of County Expenditures to Community College
Anne Arundel			
FY82	$221,857,776	$4,370,220	2.0
FY83	238,823,570	4,772,990	2.0
FY84	254,509,071	5,278,401	2.1
FY85	274,840,049	6,362,730	2.3
FY86	294,628,176	7,559,930	2.6
FY87	324,680,905	8,255,710	2.5
FY88	365,792,843	8,975,911	2.5
FY89	386,852,666	9,267,210	2.4
Baltimore			
FY82	$449,034,750	$13,814,713	3.1
FY83	537,301,024	15,939,739	3.0
FY84	570,641,862	17,489,719	3.1
FY85	590,120,056	18,688,576	3.2
FY86	652,313,181	20,666,109	3.2
FY87	696,209,440	23,982,334	3.4
FY88	714,422,770	24,977,832	3.5
FY89	791,189,207	29,050,301	3.7
Howard			
FY82	$105,357,760	$1,831,810	1.7
FY83	114,131,951	2,037,195	1.8
FY84	130,155,251	2,277,120	1.7
FY85	133,980,041	2,691,100	2.0
FY86	148,488,877	2,994,010	2.0
FY87	174,606,770	3,321,520	1.9
FY88	191,706,415	4,100,060	2.1
FY89	214,189,428	4,872,450	2.3

GENERAL FUND CONTRIBUTIONS TO LOCAL COMMUNITY COLLEGES, FY82-89

	Total County General Fund Expenditures	County Contribution to Community College Operating Budget	Share of County Expenditures to Community College
Montgomery			
FY82	$604,325,181	$12,025,530	2.0
FY83	656,057,177	12,871,000	2.0
FY84	685,474,678	13,300,000	1.9
FY85	737,281,664	14,392,174	2.0
FY86	836,125,661	18,942,010	2.3
FY87	929,772,516	24,020,055	2.6
FY88	949,782,340	25,962,000	2.7
FY89	1,064,942,698	29,302,105	2.8
Prince George's			
FY82	$384,952,950	$5,024,852	1.3
FY83	435,097,932	5,673,393	1.3
FY84	445,384,857	5,357,933	1.2
FY85	475,259,494	6,355,030	1.3
FY86	521,044,259	6,427,337	1.2
FY87	581,774,343	6,956,591	1.2
FY88	639,944,773	7,524,168	1.2
FY89	708,535,609	8,171,112	1.2

SOURCE: Maryland Department of Fiscal Services, Local Government Finances in Maryland reports. Contributions are to college operating budgets; capital funding is excluded.

COUNTY CONTRIBUTIONS TO LOCAL COMMUNITY COLLEGES, FY80-89

	(a) Total County Expenditures	(b) Expended for Community College	(c) County Contribution	(b/a) CC Share Total Expend.	(c/b) County Contrib. Share CC
Anne Arundel					
FY80	$327,406,240	$10,366,700	$4,719,790	3.17	45.5
FY81	357,351,038	11,739,690	4,425,289	3.29	37.7
FY82	365,882,750	14,496,862	5,259,802	3.96	36.3
FY83	400,360,059	16,209,205	6,215,890	4.05	38.3
FY84	410,429,402	15,882,222	6,797,251	3.87	42.8
FY85	465,071,114	16,893,757	7,390,730	3.63	43.7
FY86	488,604,988	20,543,418	8,639,930	4.20	42.1
FY87	532,855,725	23,053,298	9,695,750	4.33	42.1
FY88	620,031,935	25,190,724	9,203,345	4.06	36.5
FY89	675,784,813	26,776,771	9,477,164	3.96	35.4
Baltimore					
FY80	$624,835,753	$36,071,963	$10,911,585	5.77	30.2
FY81	686,632,989	38,665,707	14,675,351	5.63	38.0
FY82	685,040,517	42,254,595	13,814,713	6.17	32.7
FY83	737,818,236	47,679,487	16,524,739	6.46	34.7
FY84	772,188,000	50,168,770	18,394,719	6.50	36.7
FY85	812,243,233	53,011,928	19,354,841	6.53	36.5
FY86	903,908,631	59,067,585	23,501,539	6.53	39.8
FY87	977,561,723	72,702,137	27,107,195	7.44	37.3
FY88	1,029,435,698	76,770,251	26,916,152	7.46	35.1
FY89	1,130,586,549	82,809,386	31,482,671	7.32	38.0
Howard					
FY80	$128,923,450	$4,172,948	$1,483,335	3.24	35.5
FY81	163,917,596	4,870,593	1,638,325	2.97	33.6
FY82	168,320,990	5,903,673	1,831,810	3.51	31.0
FY83	174,977,401	7,063,329	2,037,195	4.04	28.8
FY84	198,161,527	7,219,857	2,277,120	3.64	31.5
FY85	208,926,109	7,957,308	2,717,051	3.81	34.1
FY86	230,576,379	9,033,282	2,994,010	3.92	33.1
FY87	258,130,231	9,732,670	3,321,520	3.77	34.1
FY88	293,207,188	11,015,976	4,100,060	3.76	37.2
FY89	341,157,646	18,254,329	6,202,482	5.35	34.0

COUNTY CONTRIBUTIONS TO LOCAL COMMUNITY COLLEGES, FY80-89

	(a) Total County Expenditures	(b) Expended for Community College	(c) County Contribution	(b/a) CC Share Total Expend.	(c/b) County Contrib. Share CC
Montgomery					
FY80	$759,241,317	$33,013,074	$11,716,359	4.35	35.5
FY81	853,561,417	34,046,959	10,711,599	3.99	31.5
FY82	881,920,059	37,740,430	15,026,530	4.28	39.8
FY83	940,449,818	37,957,593	12,871,000	4.04	33.9
FY84	989,355,687	42,996,161	13,300,000	4.35	30.9
FY85	1,093,053,751	44,247,267	14,392,174	4.05	32.5
FY86	1,179,951,437	50,477,481	22,869,010	4.28	45.3
FY87	1,337,039,156	59,961,359	24,020,055	4.48	40.1
FY88	1,493,776,353	68,559,807	25,962,000	4.59	37.9
FY89	1,624,084,145	72,871,197	35,124,105	4.49	48.2
Prince George's					
FY80	$671,778,556	$19,853,026	$4,114,000	2.96	20.7
FY81	743,969,375	21,398,193	5,642,162	2.88	26.4
FY82	818,785,214	22,829,608	5,024,852	2.79	22.0
FY83	850,680,529	24,600,486	5,673,393	2.89	23.1
FY84	796,548,740	25,861,738	5,357,933	3.25	20.7
FY85	850,707,526	26,575,797	6,355,030	3.12	23.9
FY86	950,294,178	28,003,547	6,427,337	2.95	23.0
FY87	1,032,340,008	30,713,962	6,956,591	2.98	22.6
FY88	1,144,094,692	30,986,802	7,524,168	2.71	24.3
FY89	1,309,529,746	33,699,825	8,206,772	2.57	24.4

SOURCE: Department of Fiscal Services, Local Government Finances in Maryland reports. Table reflects total expenditures of revenue from all sources. County contribution includes capital funding.

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